

In response to the Social Security Administration's announcement today that there will be no Cost-of-Living-Adjustment for 2011, Rep. Peter Welch (D-Vt.) is calling on Congress to pass a one-time \$250 payment for seniors when Congress returns after the November elections.

Welch is also calling for reforming how the annual adjustment is calculated in the future to reflect actual costs Vermont seniors face.

This would be the second year in a row that Social Security retirees, veterans, and people with disabilities will see no increase in their monthly Social Security.

"This is a blow to seniors already struggling to get by," said Welch. "The current formula doesn't reflect the reality of everyday lives for Vermont seniors. Their prescription drug prices are up. Health care costs are up. Utility costs are up. Congress should quickly provide seniors a one-time \$250 payment this year and once and for all adjust the formula so it reflects the real costs seniors face."

The cost-of-living adjustments, or COLAs, are automatically set each year by an inflation measure that was adopted by Congress in the 1970s. By law, the next increase won't come until consumer prices rise above the level measured in 2008.

Welch supports both a one-time \$250 payment to seniors and a long-term fix to the problem. In October 2009, Welch sponsored the Emergency Senior Citizens Relief Act of 2009 (H.R. 3810) to provide Social Security beneficiaries a \$250 payment in lieu of a COLA. He is also a sponsor of the Consumer Price Index for Elderly Consumers Act of 2009 (H.R. 2429), which would change the Consumer Price Index used to calculate Social Security COLAs based on actual cost for seniors.

"The unfairness of this is that many of the essentials - utilities, fuel oil, medical services,

gasoline - that seniors purchase have all increased anywhere from almost 4 percent to almost 12 percent. People on Social Security deserve some extra help to cover these rising costs," said John Barbour, executive director of the Champlain Valley Agency on Aging.

More than 58.7 million retirees and disabled Americans receive Social Security or Supplemental Security Income. Social Security was the primary source of income for 64 percent of retirees who received benefits in 2008. The average Social Security benefit is \$1,072 a month and six in ten seniors rely on Social Security for more than half of their income.

Senator Sanders is the sponsor of legislation in the Senate to provide a \$250 payment to Social Security beneficiaries.